

PRESS RELEASE
For Immediate Release – March 23, 2007

Federal Capital Partners Acquires \$24.4 Million High-Rise Apartment Complex in Suburban Maryland

For Immediate Release --Washington, D.C. – March 23, 2007 – Federal Capital Partners (FCP), one of the Washington, D.C. area’s leading real estate investment and operating companies, today announced its acquisition of Park Place Towers, a three-tower, 447-unit, high-rise apartment complex in Bladensburg, Maryland for \$24.4 million.

“Park Place Towers is a well located but under-managed and under-capitalized asset in an improving submarket that we are purchasing for a fraction of its replacement cost,” commented FCP Partner, Lacy I. Rice. Mr. Rice continued, “FCP excels at repositioning office, industrial and residential properties and Park Place Towers is a perfect example of that focus.” FCP’s basis in the property is a low \$54,500 per apartment, or approximately 20% of replacement cost.

Park Place Towers, soon to be re-branded as “The Phoenix”, will undergo a comprehensive \$14 million renovation over the next two years to bring the property up to market standards. Planned improvements include a new façade, new windows, landscaping and entry-feature upgrades, pool renovations, elevator modernization, new mechanical systems, fencing and security upgrades, and plumbing upgrades. FCP will also begin a program of renovating kitchens, bathrooms, flooring, and windows within vacant apartment units.

Park Place Towers enjoys exceptional visibility from, and access to, the Baltimore-Washington Parkway, as well as to Annapolis Road (Route 450). Bladensburg, located in the heart of Prince George’s County, is an inside-the-Beltway submarket enjoying a rebirth. Park Place Towers is within an easy walk of Wal-Mart’s new Capital Plaza Mall store, the new \$40 million Bladensburg High School, and Republic Property’s new \$70 million Pointe’ at Cheverly condominium development. Nearby, FCP is redeveloping the Cherry Hill Shopping Center, Coopers Crossing Apartments, and The Hanover (formerly Greenway Apartments). Prince George’s County ranks nationally in the top 2% for household incomes, in the top 4% of persons with incomes over \$100,000, and in the top 2% for persons employed in executive or administrative positions. The county has a 460,000-employee labor force that includes the largest concentration of scientists, engineers, and computer personnel in the United States.

FCP is also working with the Town of Bladensburg to create a new “Bladensburg Gateway” in the area surrounding Park Place Towers. FCP is assisting the Town in its pursuit of both Community Development Block Grant funding for the Gateway concept and a Sectional Map Amendment for the Bladensburg Town Center. Town of Bladensburg Mayor, Walter Lee James, Jr., commented on the coordinated effort, saying, “The Bladensburg Town Council and I lend our support to the revitalization of Park Place Towers and are confident that it will contribute to the revitalization of the adjacent areas.”

FCP expresses its appreciation to Coldwell Banker Commercial Ideal Realty Group of Potomac, Maryland for their brokerage services in the Park Place Towers transaction.

About Federal Capital Partners

Founded in 1999 by partners Esko I. Korhonen and Lacy I. Rice, Federal Capital Partners (FCP) is a real estate investment and development company headquartered in Washington, D.C. Since its inception, FCP has acquired an approximately \$1 billion portfolio of real estate assets consisting of Class B and C multi-family, retail and industrial assets and Class A and B office properties. FCP has established a strong reputation in the greater Washington, D.C. metropolitan area real estate markets as an investor with a keen eye for identifying unexploited markets and product sectors. FCP deploys a value-added investment strategy focusing on under-managed or under-capitalized assets in need of repositioning and reinvestment. For further information, please visit www.fcpc.com.

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